

# FASAB Update

Federal Audit Executive Council's Annual  
Conference

September 26, 2017

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# Disclaimer

- Views expressed are those of the speaker.

# Overview

- Recently Completed
- Requests for Comment
- Risk Assumed
- Land
- Leases
- Reporting Model
- Disclosures
- Classified Activities
- Three-Year Plan

# Recently Completed

- Opening Balances – for “first-time” adopters (SFFAS 50)
  - Flexibility afforded - implementation guidance
- Insurance Programs (SFFAS 51)
  - Strengthens definitions, measurement and recognition as well as streamlines disclosures
- Tax Expenditures (SFFAS 52)
  - Creates awareness and understanding
- Budget and Accrual Reconciliation (SFFAS 53, pending)

# Open Requests for Comment

- Intragovernmental Exchange Transactions
- Assigning Assets to Components
- Inter-entity Costing

# Risk Assumed Project

Two Phases:

- Insurance Programs
  - (SFFAS 51 Issued)
- Risk Assumed Phase II

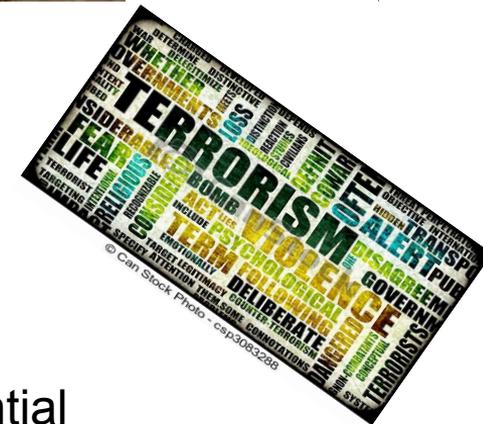


# Risk Assumed II (RAII)

Will study significant risk shocks  
such as



Photo by SPRC.org



to determine accounting standards that provide concise, meaningful, and transparent information regarding the potential impact to the fiscal health of the federal government.

# RAI Status & Challenges

- **Status**
  - Two roundtables
  - USAFacts Report
  - Ongoing gap analysis – meeting with practitioners
- **Challenges**
  - Model for Reporting RA
  - Balance of Information
  - Unique Risk Definitions
  - Measure Risks Assumed

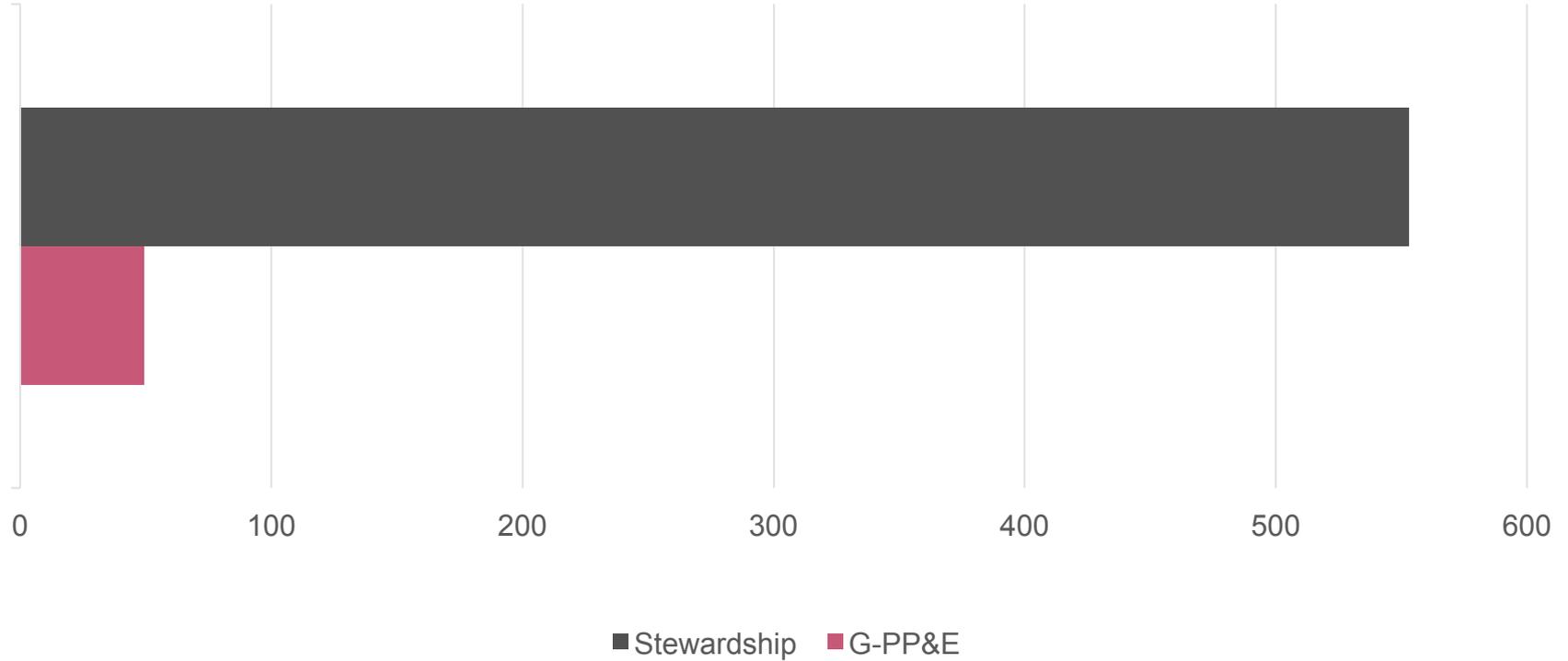
# Land

- Undertaken as a result of SFFAS 50 on Opening Balances.
- Land reporting should be:
  - Consistent
  - Comparable
  - Useful
- Hope for a proposal this calendar year

# How Do We Account for Land Now? – 2 Buckets

- SFFAS 6: General PP&E land and land rights
  - Capitalize
- SFFAS 29: Stewardship land
  - Note disclosures
  - No asset dollar amount shown on balance sheet

# Stewardship vs. GPP&E Federal Land by Acreage (in Millions)



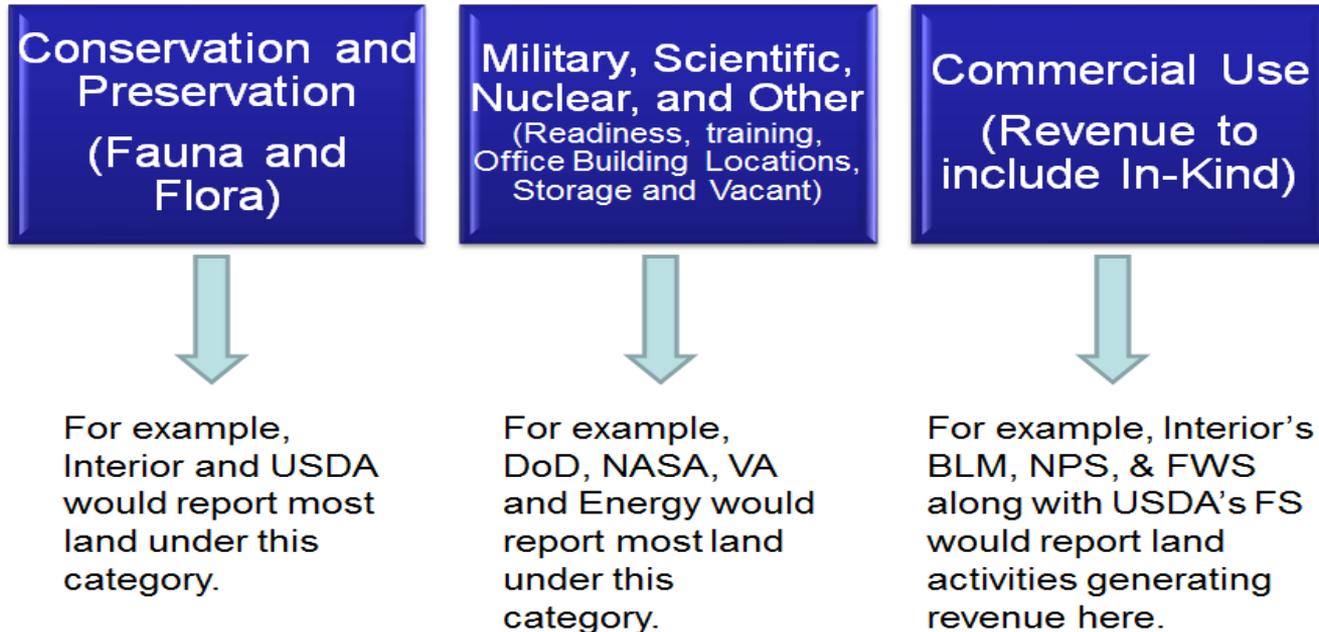
# What is the Board Considering?

## Goal – Consistency and Accountability

- Removing capitalized amounts (expensing new land acquisitions)
- Requiring Disclosures
- Key amendments to SFFAS 6 & 29 would include:
  - clarifying the categorization and reporting of land use,
  - broad acreage disclosure of acreage held-for-disposal
- Rescinding Stewardship Land guidance in Technical Release 9.

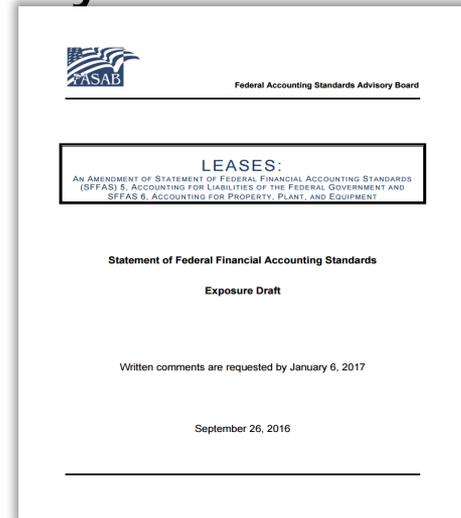
# Proposed Land Use Categories

## Land-Use Reporting Categories



# Leases

- FASAB collaborated with GASB to develop standards for governmental organizations.
- Lease proposal issued late last year and comments received.
- Board is deliberating on comments.



# Leases

## Proposal

- Single Model Approach
  - short-term exception - 24 months
- Leases create “right of use” assets (resources)
- Leases create liabilities (obligation)
- Treatment should help identify the interest cost associated with leases.

# Leases

## Proposal

### Intragovernmental Exceptions:

- Leases between two consolidation entities
  - *(as defined in SFFAS 47)*
- Expensed by lessee when due and payable
- Minimal disclosure requirements

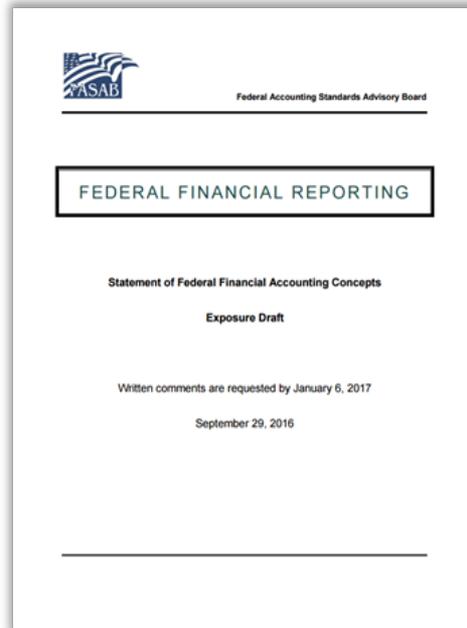
# Leases

## Areas under Deliberation

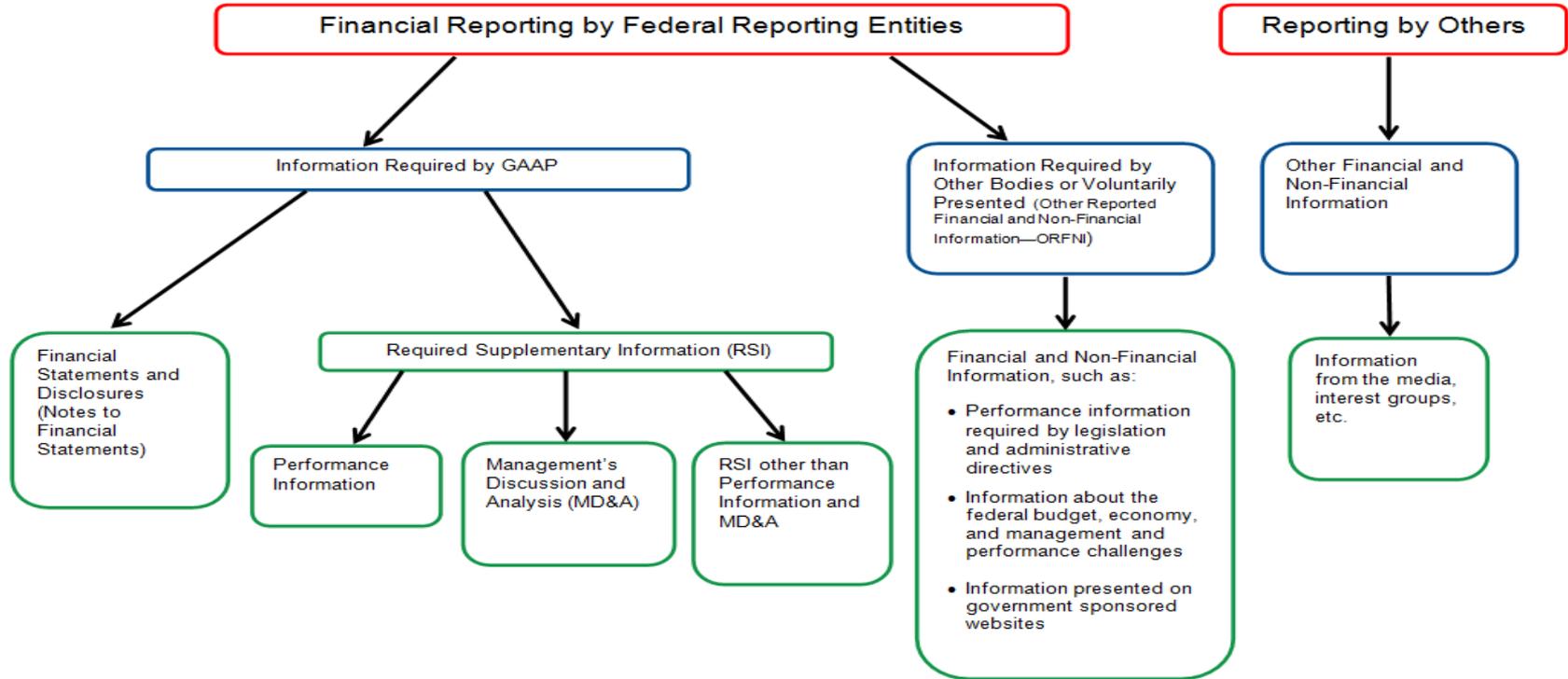
- Clarify the nature of “right to use”
- Scope (limit to PP&E and exclude IUS)
- Weighing benefit vs cost
- Need for implementation guidance
- Implementation date

# Reporting Model

## Proposed conceptual guidance



# Reporting Model



# Reporting Model

## GAAP

Meet Reporting Objectives

Required by FASAB

Qualitative Characteristics

## ORFNI

Meet Reporting Objectives

Voluntary or  
Administrative  
Directive

Limitations

# Reporting Model

- Next Steps
  - Near term – Improve User Access



Streamline



User needs

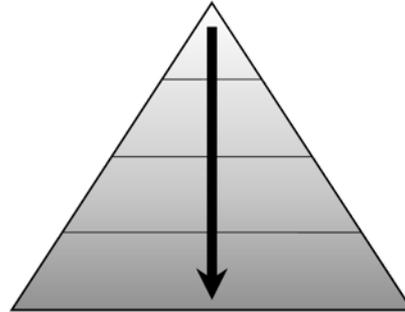


Clarity

# Reporting Model – Potential for the Long Term



Electronic, internet based



Access to detail



Customization

# Two Streamlining Proposals

- **Management's Discussion and Analysis**
  - Make the summary of performance information optional
  - Integrate performance reporting by permitting links to performance reports
- **Stewardship Investments**
  - Reviewing the usefulness of the RSSI requirements
  - Potential to provide guidance regarding relevancy of information

# Disclosures



# Classified Activities



# Annual Input on Board Agenda

- Conducted a survey in late 2016
- Planning for an improved survey in 2017
- Your opportunity to provide input!

# Contact Information

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